

Characteristics of the Uninsured in Washington State
Let's Get Washington Covered Task Force
August 14, 2003

This document provides a brief overview of some characteristics of uninsured individuals under 65 in Washington State. The characteristics reviewed were identified by the Let's Get Washington Covered Task Force. Other characteristics were typically highlighted by the Washington State Planning Grant on Access to Health Insurance in its document Targeting the Uninsured in Washington State (Research Deliverable 3.1).

This document is organized by the following sections:

Section 1.0: General Information on Uninsured Individuals, Under Age 65, Washington State

Section 2.0: Employment and Uninsured Individuals, Under Age 65, Washington State

Section 2.1: Employer-based Coverage as a Source of Health Insurance

Section 2.2: Availability of Working Families within Employer-Based Health Insurance

Section 2.3: Some Characteristics of Businesses Relevant to Enrollment in Employer-based Health Insurance

Section 2.4: Wage and Size of Business Relevant to Enrollment in Employer-based Health Insurance

Section 2.5: The Influence of Wage and Size of Business on *Offering, Eligibility, and Participating* in Employer-based Health Insurance

Section 2.6: Affordability and *Employers Offering* Health Insurance

Section 2.7: Affordability and *Employees Participating* in Health Insurance

Section 3.0: Public Sector Programs and the Uninsured in Washington State

A few notes on reading the document:

1. We focus on the insurance status of individuals *under 65*. Research into the uninsured usually focuses on the under 65 population because Medicare covers nearly all persons 65 and over in the United States.
2. We attempted to focus the review on the uninsured in Washington State. Research into specific topics is often performed at the national level, and those results are used to enhance the discussion.
3. We focused primarily on employer-based health insurance. It is the primary source of insurance for Washington State individuals. Yet, not all individuals have access to it. Information on public-sector programs is included. That information should be valuable for future reviews.

Section 1.0: General Information on Uninsured Individuals in Washington State

Percent uninsured

Although the number of uninsured individuals, under age 65, in Washington State has increased from roughly 500,000 in 2000 to 650,000 in 2002, the percent of uninsured individuals under 65 still remains lower than the percent for the United States.

Twenty-six percent of individuals in the United States were uninsured for sometime during the year; thirteen percent of individuals in the United States were insured for the full year.¹

Table 1: Percent Uninsured, Under 65

Point in Time		Sometime During the Year	
United States (2001)	Washington State (2002)	United States (2000)	Washington State (2000)
41M	650,000	62M	800,000
16.5%	10.7%	26%	15.5%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002; The Commonwealth Fund, MEPS Statistical Brief #6 – The Uninsured in America 1996--2001

Time spent uninsured

From a point in time, 75% of the uninsured individuals under 65 in Washington State were uninsured for one year or more and 78% of uninsured individuals in the United States were uninsured for one year or more.² The median time spent uninsured in the United States was 5-6 months between 1997 and 1999.³

Uninsured by age groups

The percent uninsured has been declining for all age groups in Washington State.

Table 3: Percent Uninsured by Age Groups, Washington State, 1993--2000

	1993	1997	1998	2000
Ages 19--64	14.0%	13.3%	11.4%	10.2%
Ages 0--64	13.1%	11.5%	10.3%	9.2%
Ages 0--18	11.4%	7.6%	7.8%	7.1%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

¹ Time for Change: The Hidden Cost of a Fragmented Health Care System, Chart 6; K. Davis, The Commonwealth Fund, (MEPS Statistical Brief #6 – The Uninsured in America 1996--2001)

² Congressional Budget Office, Economic and Budget Issue Brief, How Many People Lack Health Insurance and For How Long, Figure 2, May 12, 2003

³ Institute of Medicine, Coverage Matters: Insurance and Healthcare, September 2001 Issue Brief, page 5

Uninsured by poverty level

About one-third of uninsured individuals are under the poverty level; another one-third has income between 100-200% of the poverty level; and the last third is above 200% of the poverty level.

Table 4: Distribution of Uninsured by Income

Federal Poverty Level (FPL)	Washington State (2000)
FPL and Below	34%
101—200% FPL	30%
Above 200% FPL	36%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Uninsured and regions

The highest percent of the uninsured are found in rural areas on both sides of the Cascade Mountains.

**Table 5: Percent Uninsured by Region
Washington State, 2000**

West Rural Areas	Rural North Sound (non-peninsula) Area	Yakima-TriCities Area	East Rural Areas	All Other Metro Areas
11.2%	12.4%	11.8%	15.7%	All under 10%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Uninsured and citizenship and race/ethnicity

In Washington State, the uninsured are overwhelmingly United States citizens. Non-citizens, however, are more likely to be uninsured, 24% compared to 8% for citizens. American Indians/Alaska Natives and Hispanics have the highest percent of uninsured individuals.

Table 6: American Indians/Alaska Natives and Hispanics Have the Highest Percent of Uninsured Individuals

	White	American Indians/Alaska Natives	Hispanics
Washington State (2000)	8%	28%	23%
United States (2001)	13%	not available	35%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002;
Time For Change: The Hidden Cost of a Fragmented Health Insurance System, The Commonwealth Fund, March 10, 2003

Section 2.0: Employment and Uninsured Individuals, Under Age 65, Washington State

Most individuals under 65 receive health insurance through their employers. Since not all workers have health insurance, a review of these uninsured individuals and their association to the employer-based health insurance system is presented below.

Section 2.1: Employer-based Coverage as a Source of Health Insurance

The Washington State figure of 70.7% for employment as a source of insurance for those under 65 is typical of the United States. The Institute of Medicine estimated that 7 of 10 Americans under 65 were covered by employment-based insurance in 1999.⁴

Table 7: Employment is the Leading Source of Insurance in Washington State

Washington State (2000)	
Source	Percent
Employment	70.7%
Public	13.7%
Individual	6.4%
Uninsured	9.2%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Note: The data in table 7 is from 2000. The most recent percent of uninsured individuals in Washington State as of 2002 is 10.7%.

⁴ Institute of Medicine, Coverage Matters: Insurance and Healthcare, September 2001 Issue Brief, page 4

Employer coverage

The private-sector is the predominant source of employer-based coverage in Washington State.

Table 8: Major Source of Employer Coverage

Washington State (2000)	
Source	Percent
Private	83%
Government	13%
Military	4%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Employment status and the uninsured

Before we review employer-based health insurance, we need to know the employment status of the uninsured. About one-quarter of the uninsured in Washington State were unemployed or not in the labor force in 2000.⁵ About half of the unemployed recently lost a job or are looking for work.⁶ Uninsured adults, employed or unemployed, are typically not eligible for public health care programs.⁷

Self-employed workers make-up roughly 35% of the uninsured.⁸ Yet, self-employed workers and their dependents are only about 8% of our total state population.⁹

Table 9: Distribution of the Uninsured by Employment Status and Eligibility of Employer Coverage

Washington State (2000)	
Employment Status and Eligibility	Distribution of Uninsured
Eligible for employer coverage	17.5%
Self-employed	34.8%
Employer coverage not available	23.1%
Unemployed or not in labor force	24.6%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

⁵ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 61, figure 5-13

⁶ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 65, figure 5-22

⁷ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 56, figure 5-5

⁸ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 60, figure 5-12

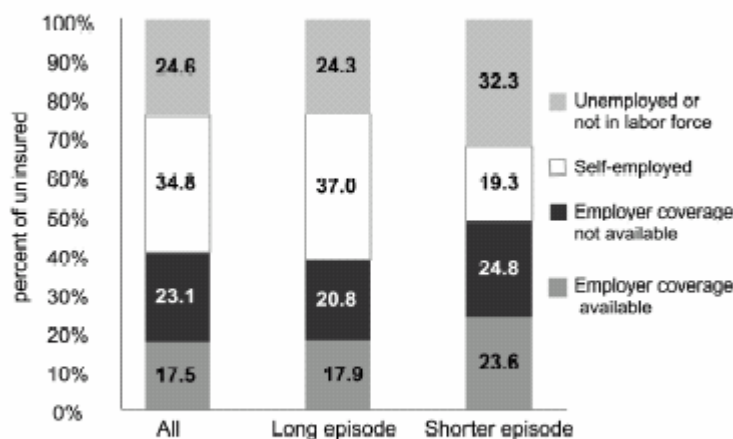
⁹ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 64

Duration without health insurance

At 37%, self-employed workers make up by far the largest percent of those uninsured for more than one year. For example, only 24% of those uninsured for one year or more were unemployed or not in the labor force, and 32% of those uninsured for less than a year were unemployed or not in the labor force. By contrast, a higher percent of individuals with employer-based coverage available were uninsured for less than a year (24%) than were uninsured for one year or more (18%).¹⁰ Figure 5-13 from Targeting the Uninsured in Washington State is presented below.

Chart 1:

Figure 5-13. Employment Status and Eligibility for Employer Coverage Among the Uninsured by Insurance Duration, 2000



Source: 2000 Washington State Population Survey; 1997 RWJF Washington Family Health Insurance Survey. Data refer to the population under 65.

Long episode: 1 year or more.

Shorter episode: less than one year.

The percent of uninsured does not decline for self-employed people as their income increases, except at very high incomes. For example, even at 300-400% of the poverty level, roughly 48% of the self-employed and their dependents remain uninsured.¹¹

Working families and the uninsured

Are the uninsured in Washington State from working families? Information from the State Planning Grant confirmed that 75% of the uninsured from 2000 were in families with at least one worker.¹² The Institute of Medicine estimated that 80% of the uninsured in the United States were from working families in 1999.¹³ It will be of no surprise that

¹⁰ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 61, figure 5-13

¹¹ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 64, figure 5-19

¹² Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 31, figure 2-19

¹³ Institute of Medicine, Coverage Matters: Insurance and Healthcare, September 2001 Issue Brief, page 3

the highest percent of uninsured individuals are in families with no workers. The largest number of uninsured individuals, however, is in families with workers.

Table 10: Distribution and Percent of Uninsured by Workers in a Family Washington State, 2000

Distribution of Uninsured by Number of Workers in Family		Percent Uninsured by Number of Workers in Family	
Workers	Percent	Workers	Percent
None	25%	None	18.5%
One	59%	One	11.5%
Two	16%	Two	3.8%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Section 2.2: Availability of Working Families within Employer-Based Health Insurance

Working families make up the largest portion of the uninsured and we used the information from the State Planning Grant as a guide to further review their availability to health insurance within the employer-based insurance market.

Employer-based enrollment

Although the 1997 Robert Wood Johnson Foundation data from Washington State are older than the 2001 Commonwealth Fund data on the United States (see tables below), both data sets point to the importance of employers offering insurance. This is because when employees are eligible for employer-based health insurance in Washington State, they tend not to turn it down. Still, the percent of insured individuals declines at each stage of the enrollment process.

Rather than review each stage of the enrollment process (seen later in this document), we first reviewed whether certain business characteristics might be associated with all stages of the enrollment process.

Table 11: Percent of Employees Offered, Eligible for, and Participation in Employer-based Health Insurance

Workers, All Ages	Washington State (1997)
Employees in firms offering	84%
Employees eligible	71%
Employees participating	66%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Table 12: Percentage of Availability and Eligibility of Employer-based Insurance

Workers	United States (2001)
Employer offers a plan	80%
Eligible for employer plan	74%
Covered through own employer	58%
Covered through someone else's employer	17%
<i>Subtotal of employer-based coverage</i>	<i>75%</i>

Source: Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003

Section 2.3: Some Characteristics of Businesses Relevant to Enrollment in Employer-based Health Insurance

Whether the employer offers insurance is the first step toward receiving employer-based insurance. In this section we review some of the characteristics of Washington State businesses that are often thought to be associated with enrollment in employer-based health insurance. We relied heavily on Research Deliverable 3.1, Targeting the Uninsured in Washington State by the Washington State Planning Grant on Access to Health Insurance.

Union and non-union employment

Union and non-union employment has been discussed by the task force. The State Planning Grant defined a union business as businesses with all or part of their workforce unionized. The State Planning Grant estimated that 99% of unionized businesses offered health insurance and 73% of non-unionized businesses offered health insurance.¹⁴

Roughly 27% of businesses in Washington State have union workers; typically large businesses (more than 50 workers). Although 45% of large businesses are unionized, very few small businesses are unionized. Also, unionized businesses are not usually the low-wage businesses where fewer than two-thirds of the workers earn less than \$10 per hour.¹⁵

Industry

As noted by the information in the State Planning Grant, the type of industry for a Washington State business was a dominant characteristic regarding whether that business offered insurance. The percent of employees offered insurance ranged from a low of 61% for the agriculture/forestry/fishing industry to a high of 93% for government. The large differences between the industries with businesses that offered insurance, compared to those that did not, closed significantly when the percentages were statistically adjusted

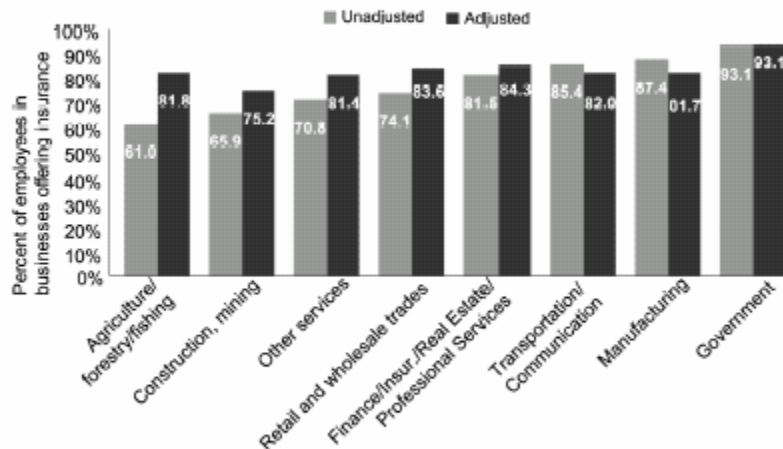
¹⁴ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 49

¹⁵ Targeting the Uninsured in Washington State, Figure A-1, Distribution of Workers in Washington, 2000 by Characteristics of Business, Washington State Planning Grant on Access to Health Insurance, April 2002

for other factors that influence the offering of insurance.¹⁶ Government continued to offer insurance 93% percent of the time. Businesses in other industries offered insurance 80-85% of the time. Only construction/mining, with businesses offering insurance 75% of the time, was below 80%.¹⁷

Chart 2:

Figure 4-15. Employees in Businesses Offering Insurance by Industry of Employment, 2000



Source: 2000 Washington State Population Survey; 1997 RWJF Employer Health Insurance Survey. Statistical adjustments are for characteristics likely to affect insurance offers including size of firm, seasonality, unionization, and presence of young, female, low-wage, and part-time workers.

Seasonal businesses

Employees in seasonal businesses in Washington State were offered health insurance only 63% of the time compared with 81% for non-seasonal businesses. A large difference between these two percentages remained when statistical adjustments were made for other factors that influence businesses to offer insurance.¹⁸

Predominantly Part-time Businesses

Even after making statistical adjustments for other factors that influence businesses to offer insurance, predominantly part-time businesses still offered insurance only 65% of the time compared to 82% of the time for other businesses.¹⁹

¹⁶ The researchers of the Washington State Planning Grant on Access to Health Insurance often adjusted a statistic for characteristics likely to affect take-up of insurance. For example, the following factors were adjusted for estimates on industry: seasonality, unionization, and presence of young, female, low-wage, or part-time workers.

¹⁷ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 14, figure 1-6

¹⁸ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 48

¹⁹ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 48

Female-dominated businesses

The difference in the percent of female-dominated businesses and other businesses that offer insurance does close to 72% and 81% when a similar statistical adjustment is made.²⁰

Together, the last three types of businesses make up less than 20% of Washington State businesses.²¹ Most important to our analysis of the uninsured, these types of businesses tend to be small businesses with low-wage employees, which are two of the dominant characteristics typically associated with the uninsured.

Section 2.4: Wage and Size of Business Relevant to Enrollment in Employer-based Health Insurance

Before we review the size and wages of businesses offering health insurance, we need to first become familiar with the distribution of businesses in Washington State. The state is split somewhat evenly between large (more than 50 employees) and small businesses. Low-wage businesses are distributed fairly evenly between large and small businesses. Just over half of small businesses have fewer than 10 workers.²²

**Table 13: Distribution of Businesses by Size and Wage
Washington State, 2000**

Size of firm	All Businesses	Low-wage Business	Other than Low- wage Business	Small Business	Large Business
Fewer than 10 workers	22.0%	30.4%	19.9%	51.2%	0.0%
10-50 workers	21.0%	24.7%	20.1%	48.8%	0.0%
More than 50 workers	57.0%	44.9%	60.0%	0.0%	100.0%

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Wage and size of business: Does one characteristic associate more with the uninsured?

In the table just above, we see that lower-wage employees are represented in small and large businesses in Washington State. The Commonwealth Fund found that the presence of lower-wage workers nationally tended to be more associated with the uninsured than size of business: "...even low-wage workers in large firms run a relatively high risk of being uninsured: 19 percent of such workers are uninsured, while 2 percent of higher-wage workers lack coverage. In fact, low-wage workers in large companies are more

²⁰ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 51

²¹ Targeting the Uninsured in Washington State, author's sums from Figure A-1, Distribution of Workers in Washington, 2000 by Characteristics of Business, Washington State Planning Grant on Access to Health Insurance, April 2002

²² Targeting the Uninsured in Washington State, author's sums from Figure A-1, Distribution of Workers in Washington, 2000 by Characteristics of Business, Washington State Planning Grant on Access to Health Insurance, April 2002

likely to be uninsured than are higher-wage workers in small companies.²³ In the table below, nearly 20% of the lower-wage workers in medium-to-large firms do not have health insurance. Only 11% of workers making more than \$15 per hour in small businesses were found to be uninsured. The data also represent the magnitude of which all employees in small businesses are more likely to be uninsured.

**Table 14: Percent Uninsured Workers by Firm Size and Wage
United States, All Workers, Ages 19-64, 2001**

Wages	Small Employers (fewer than 25 employees)	Medium-to-Large Employers (25 or more employees)
Less than \$10/hr	37%	19%
More than \$15/hr	11%	2%

Source: Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003

In the next few sections we need to review the influence of wages and the size of businesses on each stage of the enrollment process: i) employers offering health insurance; ii) employees being eligible for insurance; and iii) employees participating in insurance.

Section 2.5: The Influence of Wage and Size of Business on *Offering, Eligibility, and Participating* in Employer-based Health Insurance

The Commonwealth Fund identified that the overriding reason workers go without health insurance is that their employers do not offer it to them.²⁴

**Table 15: Lack of Insurance for Uninsured Workers, ages 19-64
United States 2001**

Reason for Lack of Insurance	Percent of Workers
Employer doesn't offer coverage	60%
Employer offers, worker ineligible	11%
Employer offers, worker eligible, doesn't participate	22%
Worker doesn't know if offered or if eligible	7%

Source: Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003

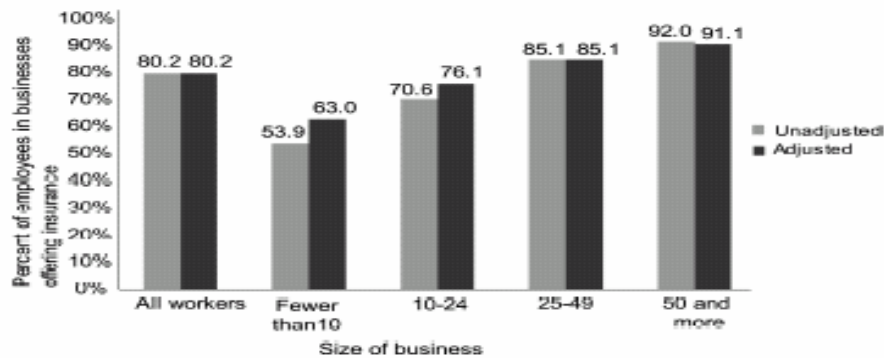
²³ Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003, page 3

²⁴ Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003, page 3

Nationally, the lack of offering insurance is the overriding reason that workers go without health insurance, and that characteristic is magnified when we look at the size of businesses in Washington State. Size of business is a dominant characteristic in whether health insurance is offered to employees in Washington State. Even when adjusted by other factors that influence the offering of health insurance, the smallest businesses (below 25 employees) lag far behind larger businesses in offering health insurance.²⁵

Chart 3:

Figure 4-11. Percent of Employees in Firms Offering Health Insurance, All and by Size of Firm, 2000



Source: 2000 Washington State Population Survey; 1997 RWJF Employer Health Insurance Survey. Statistical adjustments are for characteristics likely to affect insurance offers including seasonality, unionization, and presence of young, female, low-wage, or part-time workers.

Note: As described in the methodology appendix, we have reweighted the employer survey in this chapter using the employee composition in 2000. Thus the figures are not directly comparable to the chart created from the 1997 survey shown in Chapter 1, which shows offer rates exactly as measured in the 1997 survey.

Table 16: Percent of employees in firms that offer health insurance Washington State, 2000

Size of firm	Percent Offering Insurance*
Fewer than 10 workers	63%
10-24	76%
25-49	85%
50 and more	91%
All workers	80%**

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

* Adjusted for other factors that influence offering insurance

** 1997 Washington State employer survey re-weighted by 2000 employee composition from the Washington State Population Survey. Consequently, the offer rate from 1997 of 84% in table 12 has been estimated to be 80% in 2000.

²⁵ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 47, figure 4-11

The Commonwealth Fund also provides research that demonstrates that small employers in the United States do not offer health insurance as frequently as large employers. The research also demonstrates that low-wages impact whether health insurance is offered by any size of employer. Workers who earn less than \$10 per hour with medium-to-large employers participate in health insurance 46% of the time, a rate just below workers who earn more than \$15 per hour with small employers.²⁶

Overall, workers in the United States were not covered by employer-based insurance for the following reasons:

1. Offering: Low-wage workers were much more likely to work in businesses that did not offer health insurance. Low-wage workers better their chances of being offered insurance in medium-to-large firms.
2. Eligibility: Not working enough hours was reported by survey respondents as the reason that half of them are ineligible for insurance through their employer. The gap between having insurance offered and becoming eligible was largest among low wage workers in medium-to-large firms.
3. Participating in coverage: Not all eligible employees participate in coverage when they are eligible for their own employer's insurance. Some do not find it necessary: 19% of low-wage workers and 14% of high-wage workers are covered through someone else's employer.²⁷

**Table 17: Workers Offered, Eligible For, or Participating in Their Employer's Health Plan
By Size of Employer and Hourly Wage
United States, All Workers, 19-64**

	Small Employers (fewer than 25 employees) Percent of Employees Earning...		Medium-to-Large Employers (25 or more employees) Percent of Employees Earning...	
	Less Than \$10/hr	More Than \$15/hr	Less Than \$10/hr	More Than \$15/hr
Employer offers a plan	36%	67%	85%	97%
Eligible for employer plan	30%	66%	69%	96%
Participate in coverage through own employer	13%	48%	46%	85%

Source: Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003

²⁶ Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003, page 2, chart 2

²⁷ Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003, page 2, 3

The State Planning Grant found that roughly 10% of employees and dependents in low-wage businesses (two-thirds of employees earn less than \$10 per hour) did not have access to employer-based coverage. This compares to roughly 5% for the other businesses.²⁸

Section 2.6: Affordability and Employers Offering Health Insurance

The researchers of the State Planning Grant recognized the lack of available employer-based insurance primarily for small employers (less than 50 employees) in Washington State. The researchers provided us with a predicted premium that would have to be paid for insurance by small businesses that do not now offer coverage. The difference in the family premium paid now and that predicted for people who are not currently in the small group market is quite large. This difference demonstrates that the concerns of affordability extend to small employers as well as low-wage workers in all size of businesses.²⁹

Table 18: Monthly Premiums Paid by and Predicted for Small Businesses Washington State, 2000

Type of Small Business	Single Premium	Family Premium
Currently offers insurance	\$154	\$401
Does not now offer insurance	\$164	\$577

Source: Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002

Relief from the increasing cost of premiums does not appear to be in sight: the individual, small group, and large group markets in Washington State are separately expected to reach cumulative premium increases of over 15% for 2003.³⁰

Section 2.7: Affordability and Employees Participating in Health Insurance

Affordability is likely the main concern behind eligible workers declining employer-based insurance and becoming uninsured. The Commonwealth Fund tracked those workers nationally who pay 5% or more of their income for health insurance. (Paying 5% of a family income for health insurance has been recognized as the percentage at which premiums begin to become unaffordable.)

A higher percentage of self-employed workers or workers from small businesses pay 5% or more for their health insurance. About one-third of the self-employed workers nationally pay 5% or more of their incomes on insurance according to The Commonwealth Fund.³¹ A four-person family earning income at 200% of the poverty

²⁸ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 63, figure 5-18

²⁹ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 50, figure 4-16

³⁰ Year-to-date information on rate filings for health insurance to the Office of Insurance Commissioner.

³¹ Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003, page 4, chart 5

level can expect to pay about 5% of that income toward health insurance premiums if the employer also pays a typical amount.³²

**Table 19: Percent of Workers with Premium Costs of 5% or More Income
Workers with Own-employer Insurance, ages 19-64
United States 2001**

Size of Business	Percent of Workers
Self-employed	31%
2--24 workers	27%
25--99	20%
100--499	19%
500+	15%

Source: Issue Brief, On The Edge: Low-wage Workers and Their Health Insurance Coverage; The Commonwealth Fund, April 2003

It is worth noting that self-employed workers and their dependents make up roughly one-third of the uninsured individuals under 65 in Washington State.

One-in-five of the uninsured have employer-based health insurance available to them. It is equally worth noting that 97.7% of the individuals eligible for employer-based health insurance in Washington State become insured; that figure decreases to 93.6% when those eligible individuals are at or below 200% of the poverty level.³³

Section 3.0: Public Sector Programs and the Uninsured in Washington State

Public sector health care programs in Washington State have contributed to decreasing the percent of uninsured individuals in the last decade. The increase in individuals receiving coverage from public sector programs is mirrored by the decline in the percent of uninsured.

Cost is also a barrier to coverage in public sector programs with 59% of those potentially eligible in Washington State for public coverage identifying cost as a reason for remaining uninsured. For comparison, “accessibility” to public programs was identified as a reason for remaining uninsured only 16% of the time.³⁴

³² Institute of Medicine, Coverage Matters: Insurance and Healthcare, September 2001 Issue Brief, page 3

³³ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 61, figure 5-14

³⁴ Targeting the Uninsured in Washington State, Washington State Planning Grant on Access to Health Insurance, April 2002, page 55, figure 5-2

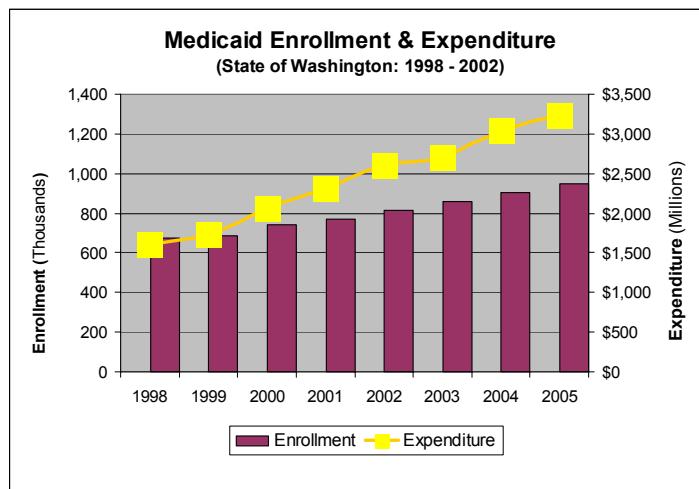
Table 20: Sources of Insurance Coverage in Washington State

Type of Coverage	1993	1997	1998	2000
Employment-Based	70.9%	68.8%	68.0%	70.7%
Public	8.9%	12.5%	13.3%	13.7%
Individual	7.1%	7.2%	8.4%	6.4%
Uninsured	13.1%	11.5%	10.3%	9.2%

Source: Targeting the Uninsured, Research Deliverable 3.1, Washington State Planning Grant on Access to Health Insurance

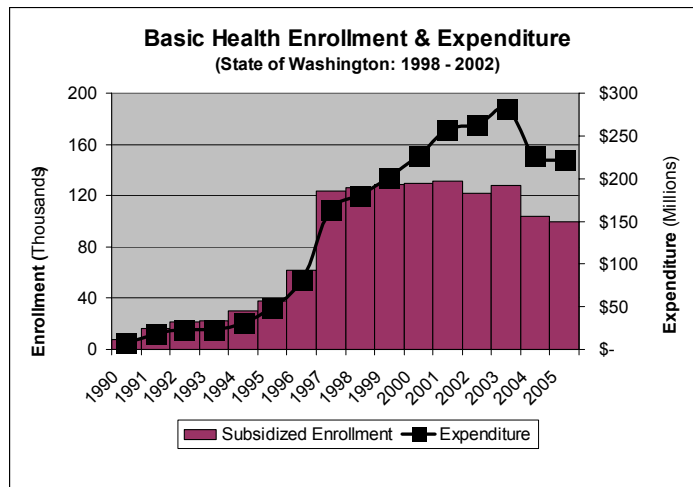
Past and future budget information is presented below for the Washington State Medicaid program and the Basic Health Plan. Although total Medicaid funds are estimated to increase during the next biennium, they will increase faster than enrollment. Total funds for Basic Health and its enrollment are both projected to decrease in the next biennium.

Chart 4:



Source: Department of Social and Health Services

Chart 5:



Source: Health Care Authority